Total Foreign/Internal debt

6065. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) What was the extent of total foreign debt and internal debt at the end of March, 1994;

(b) What steps have been taken from time to time to fight the country's soaring debt crisis and the rising double digit inflation and what is the specific role of Reserve Bank of India in this behalf;

(c) whether there has been marked deterioration in the fiscal deficit situation in 1993-94 as reflected in the GFD-GDP ratio of 7.3 per cent against the budget estimate of 4.7 per cent as reported in the Financial Express (Bombay) of 4th January, 1995;

(d) if so, what are the reasons therefor; and

(e) What steps Government have taken or propose to take to rectify the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total liabilties of the Central Government inclusive of external debt on Government account at the then prevailing exchange rate, as on 31st March, 1994, was Rs. 5,59,488 crore.

(b) and (e) As mentioned by Finance Minister in his Budget speech for 95-96, the main reasons for rising inflation are the sharp increase in procurement prices in the previous three years, shortfall in production in certain critical sectors such as sugar, cotton and oil seeds and persistence of fiscal deficits at levels higher than they should be. Government and Reserve Bank of India are endeavouring to contain inflation through better coordination of fiscal and monetary policies and steps are being taken to correct the causes for inflation mentioned above. In the current year, efforts would be made to contain the fiscal deficit at the budgeted level.

(c) and (d) Finance Minister in his Budget speech for 1995-96 has already explained that the slippage in the fiscal deficit target for 1993-94 was mainly due to slower pace of industrial recovery in 1993-94 which led to a shortfall in revenue receipts and various expenditures have also exceeded the budget estimates.

Relief and Concesion to sick units by RBI

6066. SHRI T. VENKATRAM REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India is considering the issue of relief and concessions to be provided under rehabilitation packages in the case of sick public sector undertakings which are considered potentially viable.

(b) if so, the number of such units where Reserve Bank of India has agreed to provide concessions for their revival;

(c) by when the same are likely to be provided; and

(d) the extent to which this decision has helped?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) The Reserve Bank of India (RBI) has issued on 10th October, 1994 guidelines to all

scheduled commercial banks/financial institutions regarding extension of reliefs/concessions under rehabilitation packages evolved for sick public sector undertakings (PSUs) considered as potentially viable. As there are certain features distinguishing a PSU from a joint/private sector non-SSI industrial unit, these guidelines contain additional parameters with regard to promotes' contribution, sale of surplus land and requirement of security. All other operative instructions/guidelines on rehabilitation in respect of non-SSI sick/weak industrial units apply to sick but potentially viable PSUs.

RBI has further reported that industrial units including PSUs may not insist that the guidelines on extension of reliefs and concessions generally and those specialy meant for PSUs be adopted as a matter of right. These, along-with other elements of the rehabilitation package, have to be followed/accepted in consensus among all the banks/financing institutions and other agencies participating in the rehabilitation package. In the case of sick industrial companies including PSUs, such packages would need to be sanctioned by the Board for Industrial and Financial Reconstruction (BIFR). RBI does not directly provide any financial assistance to sick industrial companies.

Money Raisings Trend by Stock Exchanges

6067. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether attention of Government has been drawn to certain observations of President of the Bombay Stock Exchange that Indian stock market is expected to raise Rs. 100,000 crore a year by the end of the present Five Year Plan;

(b) if so, the details thereof with reaction thereto;

(c) whether money raising trend by the stock exchanges of country has been noticed since March, 1992;

(d) if so, the details thereof;

(e) whether Government propose to draw up some programmes for utilisation of such huge collection in the welfare and developmental activities; and

(f) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (f) The information is being collected and will be laid on the Table of the House.

Emphasis on Tax-reforms

6068. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have been requested to lay emphasis on tax reforms and give better deal to urban and rural poor and aim at attracting foreign investment when the General Budget for 1995-96 is presented;

(b) if so, the details thereof with source of such requests;

(c) whether these requests also included some other suggestions;

(d) if so, the details thereof:

(e) whether any weightage has been given in the General Budget for 1995-96; and

(f) if so, the details thereof and if not, the reasons therefor?